



State of Utah

Department of
Environmental Quality

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Executive Director

DIVISION OF AIR QUALITY
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Governor

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Lieutenant Governor

DAQE-IN0141380002-08

August 4, 2008

Toby Wright
Uranium One, Inc.
3801 Automation Way
Suite 100
Fort Collins, CO 80525

Dear Mr. Wright:

Re: Intent to Approve: Installation of three diesel engine/generators at the Ticaboo Generation Facility, Garfield County; CDS A; NSPS (Part 60), Title V (Part 70)
Project Number: N014138-0002

The attached document is the Intent to Approve for the above-referenced project. The Intent to Approve is subject to public review. Any comments received shall be considered before an Approval Order is issued. Future correspondence on this Intent to Approve should include the engineer's name as well as the DAQE number as shown on the upper right-hand corner of this letter. Please direct any questions you may have on this project to John Jenks. He may be reached at (801)536-4459.

Sincerely,

Mr. Ty L. Howard, Manager
Major New Source Review Section

TLH:JJ:sa

cc: Mike Owens
Southeastern Utah District Health Department

STATE OF UTAH

Department of Environmental Quality

Division of Air Quality

INTENT TO APPROVE: Installation of three diesel engine/generators at the Ticaboo Generation Facility

Prepared By: John Jenks, Engineer

Phone: (801)536-4459

Email: jjenks@utah.gov

INTENT TO APPROVE NUMBER

DAQE-IN0141380002-08

Date: August 4, 2008

Uranium One Inc.-Ticaboo Generation Facility

Source Contact:

Toby Wright Engineering Manager

Phone: (435) 788-2120

**Mr. Ty L. Howard, Manager
Major New Source Review Section
Utah Division of Air Quality**

ABSTRACT

Uranium One, Inc. submitted a Notice of Intent to upgrade an existing grandfathered power generation plant in Garfield County, which is an attainment area for all pollutants. As proposed, three new diesel engine/generators will be installed to replace the four grandfathered engines currently located at the site. Total emissions will be limited by keeping one unit in reserve as backup in the event that one of the two primary generators goes offline. As the Notice of Intent was for a total replacement of an existing grandfathered site, these new generators will be permitted as a new source. Therefore the increase in total emissions will be the same as the plant wide emission totals. These emissions are calculated in tons per year as follows: PM₁₀ 2.9; NO_x 188.2; SO₂ 5.4; CO 20.9; VOC 9.6; and HAPs 0.2.

The Notice of Intent (NOI) for the above-referenced project has been evaluated and has been found to be consistent with the requirements of the Utah Administrative Code Rule 307 (UAC R307). Air pollution producing sources and/or their air control facilities may not be constructed, installed, established, or modified prior to the issuance of an Approval Order (AO) by the Executive Secretary of the Utah Air Quality Board. The Division of Air Quality is authorized to charge a fee for reimbursement of the actual costs incurred in the issuance of an AO. An invoice will follow upon issuance of the final Approval Order.

A 30-day public comment period will be held in accordance with UAC R307-401-7. A notice of intent to approve will be published in the Times Independent Printing on August 7, 2008. During the public comment period the proposal and the evaluation of its impact on air quality will be available for the public to review and provide comment. If anyone so requests a public hearing it will be held in accordance with UAC R307-401-7. The hearing will be held as close as practicable to the location of the source. Any comments received during the public comment period and the hearing will be evaluated. The proposed conditions of the AO may be changed as a result of the comments received.

Name of Permittee:

Uranium One, Inc.
3801 Automation Way
Suite 100
Fort Collins CO 80525

Permitted Location:

Uranium One Inc.-Ticaboo Generation Facility
Shootaring Canyon Mill
PO Box 2111
Lake Powell UT 84533

UTM coordinates: 527,029 m Easting, 4,170,746 m Northing
SIC code: 4911 (Electric Services)

Section I: GENERAL PROVISIONS

- I.1 All definitions, terms, abbreviations, and references used in this AO conform to those used in the Utah Administrative Code (UAC) Rule 307 (R307) and Title 40 of the Code of Federal Regulations (40 CFR). Unless noted otherwise, references cited in these AO conditions refer to those rules. [R307-101]
- I.2 The limits set forth in this AO shall not be exceeded without prior approval. [R307-401]

- I.3 Modifications to the equipment or processes approved by this AO that could affect the emissions covered by this AO must be reviewed and approved. [R307-401-1]
- I.4 All records referenced in this AO, which are required to be kept by the owner/operator, shall be made available to the Executive Secretary or Executive Secretary's representative upon request, and the records shall include the two-year period prior to the date of the request. Records shall be kept for a minimum of five (5) years. [R307-415-6b]
- I.5 At all times, including periods of startup, shutdown, and malfunction, owners and operators shall, to the extent practicable, maintain and operate any equipment approved under this Approval Order including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to the Executive Secretary which may include, but is not limited to, monitoring results, opacity observations, review of operating and maintenance procedures, and inspection of the source. All maintenance performed on equipment authorized by this AO shall be recorded. [R307-401-4]
- I.6 The owner/operator shall comply with R307-150 Series. Inventories, Testing and Monitoring. [R307-150]
- I.7 The owner/operator shall comply with UAC R307-107. General Requirements: Unavoidable Breakdowns. [R307-107]

Section II: SPECIAL PROVISIONS

II.A The approved installations shall consist of the following equipment:

II.A.1 Ticaboo Generation Facility

II.A.2 Engine 1

Cummins 1750DQKAA rated at 2,282 bhp

II.A.3 Engine 2

Cummins 1000DQFAD rated at 1,322 bhp

II.A.4 Engine 3

Cummins 1750DQKAA rated at 2,282 bhp

II.A.5 Storage Tanks

Two diesel fuel storage tanks and two diesel fuel day tanks

II.B Requirements and Limitations

II.B.1 Conditions on Permitted Source.

II.B.1.a The sulfur content of any diesel fuel burned at the Ticaboo Generation Facility shall not exceed 0.05% by weight. [R307-401-8]

II.B.1.b Total emissions of NO_x shall not exceed 188.2 tons/rolling 12-month period. Emissions shall be calculated by multiplying the lb/gal NO_x emission factor for each engine by the amount of fuel combusted in each engine each month. By the 20th day of each month, a new rolling 12-month emission total shall be calculated using the data from the most current consecutive 12 months. [R307-401]

II.B.2 **Conditions on Diesel Engine Generators.**

- II.B.2.a All emissions from the three diesel engine generators shall be vented vertically unrestricted. The height of each stack shall be no less than 27 feet as measured from the base of the stack. [R307-401-8]

Section III: APPLICABLE FEDERAL REQUIREMENTS

In addition to the requirements of this AO, all applicable provisions of the following federal programs have been found to apply to this installation. This AO in no way releases the owner or operator from any liability for compliance with all other applicable federal, state, and local regulations including UAC R307.

NSPS (Part 60), IIII: Stationary Comp/Ignit R.I.C.E

REVIEWER COMMENTS

The final approval order will be based on the following documents:

Is Derived From

Source submitted NOI dated April 25, 2008

1. Comment on an item originating in Source submitted NOI regarding Ticaboo Generation Facility Discussion of grandfathered status: The existing source was considered grandfathered although the four existing diesel engines were installed between 1982 and 2000. While this would imply a redesignation as a non-permitted source, Uranium One (the new owner of the site) is requesting approval as a new source under R307. The Ticaboo Generation Facility will be treated as a new major source. [Last updated July 29, 2008]